

Commission On Organization
of the Executive Branch of
the Government
1626 K Street, N. W.
Washington, D. C.

Hold for Release Until
Delivered at Hearing
Scheduled for 10 A.M.,
Monday, January 31, 1949

EXecutive 4160

C. B. Coates (2788)---
Fred Hamlin (2789)

Statement by the Honorable Herbert Hoover, Chairman,
Commission on Organization of the Executive Branch
of the Government, before House Committee on Expend-
itures in the Executive Office, Hearing on the
Reorganization Act of 1949.

This legislation is just the first, and a necessary step, in the grievously-needed reorganization of the Executive Branch of the Government.

I need not point out that, first, we must get these 1800 "Bureaus", "Commissions", "Divisions", "Departments", "Administrations", and offices into some sort of orderly relation before we can even begin on the further steps which reorganization requires. That is the object of this legislation. There were only about 350 of these "agencies" twenty years ago, and that was too many even before the depression, and war multiplied them about four times. To secure efficiency and economy in the Government we must begin at this point to resolve them.

However, the most perfect alignment of these agencies would not solve the whole problem of reorganization. Other vital steps will also be necessary and will require different legislation. That is because aside from multiplicity and overlap in these agencies, their officials are, like Gulliver, enmeshed by thousands of strands of red tape, accumulated by legislative and executive action over half a century which paralyzes the efforts of the best of them.

As to the first step proposed in this bill, it is hopeless to expect Congress to investigate and legislate out the vast detail of the overlaps, the conflicts, the duplications and the lack of coordination among this multitude of agencies.

This is no creation of dictatorial powers. This bill proposes that the President take the initiative and propose plans for the redistribution of executive agencies to the Congress and that Congress reserve a veto power over such plans that he may propose. The sole purposes are to reduce expenses,

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gain efficiency, and make life easier for the citizen in his dealings with the Government.

Regulatory Agencies

So far as I know, it is not proposed that the President should interfere with the quasi-judicial or quasi-legislative functions of the major "regulatory agencies", such as the Interstate Commerce Commission, the Federal Trade Commission and others.

I do not wish to be offering opinions on constitutional questions but I may say that it has been my own opinion that these "regulatory agencies" are not a part of the Executive Branch of the Government. They might thus be considered to be outside the constitutional mandate that "The executive power shall be vested in the President of the United States". The real problem is that these agencies thus being "independent" of the President's powers have branched out into purely executive functions. Prominent examples are the great business operations of the Maritime Commission and the railway safety inspection activities of the Interstate Commerce Commission. Assuming these "regulatory agencies" are independent of the President, it is a certainty that for orderly government their executive functions should be moved to the Executive Branch of the Government where they are within the authority and responsibility of the President. These administrative activities of the "regulatory agencies" may be a violation of the spirit of the Constitution and in any event, they are bad government. Their executive functions, as distinguished from their quasi-judicial and quasi-legislative functions, should be placed with functions of the same major purpose in the executive departments if we are to plane out overlaps and have a businesslike administration.

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The Reasons for this Legislation

This first step in reorganization is an endeavor to solve two problems.

The first is to place, and at times consolidate, these 1800 "agencies" into groups of major purpose. Many agencies of related purpose are scattered over the Government. Such ill-setting creates constant overlaps, conflicts of jurisdiction, competition, and waste. And perhaps worst of all, it prevents development of unified purpose and policies. They should be placed cheek by jowl with each other under some single head who can reduce them to order.

Just as instances, there are over 30 agencies engaged in lending money, making guarantees, or insurance activities. There are 23 agencies engaged in major construction activities competing with each other for labor and materials, and scattered over 11 departments or agencies. There are 10 agencies dealing with major transportation questions (not including regulatory functions) scattered through eight departments and independent agencies.

Not all of such agencies can be set in one spot, but the situation can certainly be improved.

The second problem is to relieve the President of administrative detail and free him for more important duties of his office. I have here three lists of agencies (outside the regulatory agencies) that report direct to the President. One list shows 65 such agencies; another shows 94; and still another shows 101. The discrepancy in the lists is a difference of opinion as to how much responsibility the President has for them. Most of them exercise some executive function.

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Of them, some 18 or 20 are major operational "departments", or "administrations", leaving somewhere between 45 and 80 secondary agencies reporting to the President--if they report to anyone. These agencies are usually, and significantly, referred to as the "independent agencies". If the President were to give each of them an hour a week, he would have no time for his major responsibilities in national policies and the conduct of the major "departments" and "administrations". In fact, the President cannot physically look after these "independent agencies" and they have little checking or direction. The idea is to place as many of them as possible under the direction of the major departments or administrations. My personal hope is that the total number of agencies of all kinds reporting to the President can be reduced to less than twenty.

Some Minor History

This legislation is not new.

After the failure of Presidents previous to my time to persuade Congress to remedy this problem of rearranging the agencies, I first recommended, in 1931, this idea of Presidential initiative in proposing plans with a Congressional veto. But the Congress of that time reversed the veto idea to a requirement of affirmative action by the Congress. That reduced the proposal to the level of any other general recommendation to the Congress. However, I sent to the Congress at that time proposals to combine 59 agencies into 9, out of the 350 then existing, but Congress took no affirmative action.

It was not until 1939 that Congress finally adopted this plan of action. Some progress was made under this authority to Presidents Roosevelt and

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Release to AM's of Sunday,
February 6, 1949

The first part of the official report to Congress of the Commission on Organization of the Executive Branch of the Government is coming into view.

In fifteen sections, the report will represent a massive parade of facts, figures, and recommendations for streamlining the government, cutting its costs, and improving its services. The first section will probably be delivered to Congress on Monday. Subsequent sections will move at the rate of about three a week until the end of the Commission's official existence on March 13.

The bi-partisan, 12-man Commission was created by unanimous vote of Congress in July, 1947. Four members each were chosen by the President of the Senate, the Speaker of the House, and President Truman.

The Commission began by subdividing the major problems of government into topics and appointing research "task forces" to gather data on each. Some 300 experienced specialists were appointed to the task forces, including two former cabinet officers, 13 former Under Secretaries and Assistant Secretaries of government departments, three former United States Senators, five former governors of states, 10 major university presidents, and many representatives of commercial concerns having experience and information in special fields.

Among topics studied by the task forces were: the Office of the President; general departmental management; accounting; budgeting; personnel; purchasing; transportation; veterans' affairs; federal-state relationships; public works; federal field offices; government business enterprises; lending agencies; natural resources; medical services; Indian affairs; statistical services; records management; and the Departments of the Post Office, Agriculture, State, Interior, Commerce, the Treasury, and the National Military Establishment.

Working for periods of 10 to 14 months with the full cooperation of government agencies, the task forces produced the most comprehensive body of research in the history of government. The Committee on the National Security Organization (armed services), for example, held 25 day and 10 evening sessions and interviewed 245 witnesses.

No less than 2,000,000 words of background material, findings, and recommendations were delivered to the Commission by the task forces in countless mimeographed volumes and appendices. The result was a panoramic picture of the federal government which is today the world's largest business. Employing 2,100,000 persons, more than the population of Philadelphia, the Executive Branch has grown ten-fold in 20 years. Its \$42 billion a year expenditures are equal to one-fifth of the national income. Its 1,812 boards, bureaus, agencies, and other subdivisions require 722 pages of type for listing in the United States Government Manual.

The Commission began grappling in earnest with the task force reports last Summer. The members met with increasing frequency during the Fall and with real intensity this Winter. Three sessions per week of the full membership were supplemented by many subcommittee meetings.

Not all the task force recommendations agreed on secondary questions in areas where their researches converged. One of the Commission's problems has been that of resolving them and shaping its own findings into a unified pattern of government. The 15 sections of its official report will represent a condensation, voluminous as they are, but some of the task force reports will be appended to the Commission reports because of their lasting reference value.

In their hunt for better and cheaper ways of running the government, the task forces found many opportunities for large savings and improved governmental service. Recently the Commission forwarded a letter to the President Pro Tem of the Senate and the Speaker of the House in which it urged enactment of the Reorganization Act of 1949. In this letter the Commission said:

"This Commission has found that the United States is paying heavily for a lack of order, a lack of clear lines of authority and responsibility, and a lack of effective organization in the Executive Branch. It has found that great improvements can be made in the effectiveness with which the Government can serve the people if its organization and administration is overhauled."

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3	General Counsel	<i>WR</i>	
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☐ INFORMATION
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